

**CLAIMS**

1. A computer implemented method for performing a tax-deferred transaction involving an investor owning a relinquished property, the method comprising the steps of:

exchanging in a computer system, said relinquished property for a replacement property,

in accordance with the requirements of Section 1031 of the Internal Revenue Code;

transferring in the computer system, said replacement property to an operating partnership wherein said operating partnership comprises operating partnership units; and

receiving in the computer system, said operating partnership units in exchange for said replacement property, in accordance with the requirements of Section 721 of the Internal

Revenue Code.

2. The method of claim 1, wherein the operating partnership owns or controls an interest in the replacement property and wherein the step of exchanging in a computer system, said relinquished property for a replacement property includes the step of:

exchanging in the computer system, said relinquished property for said interest in said replacement property.

3. The method of claim 1, wherein the step of transferring in the computer system, said replacement property to an operating partnership includes the step of:

providing to the operating partnership in the computer system, an option to purchase said replacement property at a predetermined price and during a predetermined range of time or at a predetermined time.

4. The method of claim 1, wherein the step of transferring in the computer system, said replacement property to an operating partnership includes the step of:

leasing in the computer system, said replacement property to said operating partnership.

5. The method of claim 4, further including the step of:

providing to the operating partnership in the computer system, a right to purchase the replacement property.

6. The method of claim 4, further comprising the step of:  
calculating in the computer system, lease payments for said replacement property based on comparable property leasing rates.

7. The method of claim 4, wherein said step of leasing is according to lease conditions and said lease conditions include a lease term of no more than eighty-percent of the useful life of the replacement property such that the value of the replacement property at the end of said lease term is not less than twenty-percent of the original cost of the replacement property.

8. A computer implemented method for performing a tax-deferred transaction involving an investor owning a relinquished property, wherein said investor comprises an investor partnership, the method comprising the steps of:

selling in a computer system, said relinquished property;

transferring in the computer system, a first interest in said investor partnership to the operating partnership wherein said operating partnership comprises operating partnership units;

receiving in the computer system, said operating partnership units in exchange for said first interest in said investor partnership, in accordance with the requirements of Section 721 of the Internal Revenue Code;

obtaining in the computer system, a replacement property in exchange for said relinquished property, in accordance with the requirements of Section 1031 of the Internal Revenue Code; and

transferring in the computer system, a second interest in said investor partnership to the operating partnership in exchange for additional operating partnership units, in accordance with the requirements of Section 721 of the Internal Revenue Code, wherein said second interest comprises a remaining interest in said investor partnership.

9. The method of claim 8, wherein said first interest in said investor partnership is a maximum of 49.9 percent of the total capital interest and ninety percent of the total profits interest of said investor partnership.

10. The method of claim 8, wherein said second interest comprises all remaining interest in said investor partnership.

11. The method of claim 8, wherein said second interest comprises less than all remaining interest in said investor partnership, said method further including the step of:

transferring in the computer system, one or more additional remaining interests in said investor partnership to the operating partnership in exchange for additional operating partnership units, in accordance with the requirements of Section 721 of the Internal Revenue Code, wherein said one or more additional remaining interests comprise all remaining interest in said investor partnership.

12. The method of claim 8, wherein the step of transferring in the computer system, a second interest in said investor partnership, includes the step of:

providing to the operating partnership in the computer system, an option to purchase said second interest at a predetermined price and during a predetermined range of time or at a predetermined time.

13. The method of claim 8, wherein the step of transferring in the computer system, a second interest in said investor partnership, includes the step of:

providing to the investor partnership in the computer system, an option to sell said second interest at a predetermined price and during a predetermined range of time or at a predetermined time.

14. The methods of claim 1 or 8, further comprising an entity comprising one of a trust or corporation, said entity having shares, and said entity being a general partner in said operating partnership, wherein said operating partnership units are valued based on the value of said shares of said entity.

15. The method of claims 1 or 8, further comprising an entity comprising one of a trust or corporation, said entity being a general partner in said operating partnership, said method further comprising the step of:

redeeming in the computer system, at least some of said exchanged operating partnership units for cash.

16. The method of claims 1 or 8, further comprising an entity comprising one of a trust or corporation, said entity being a general partner in said operating partnership, said method further comprising the step of:

redeeming in the computer system, at least some of said exchanged operating partnership  
5 units for said shares in said entity.

17. The method of claim 16, wherein said entity is a real estate investment trust.

18. The method of claims 1 or 8, wherein said operating partnership owns a plurality of assets.

19. The method of claim 18, wherein the entity of claim 17 comprises real estate investment  
10 trust units, and wherein said plurality of assets includes one or more assets selected from the group including real property, interests in real property, shares in a real estate investment trust other than the entity of claim 17, units in a real estate investment trust other than the entity of claim 17, units in mortgages, and units in a operating partnership other than the operating partnership of claim 18.

15 20. A computer system for performing a tax-deferred transaction involving an investor owning a relinquished property, the system comprising:

means for exchanging said relinquished property for a replacement property, in accordance with the requirements of Section 1031 of the Internal Revenue Code;

20 means for transferring said replacement property to an operating partnership wherein said operating partnership comprises operating partnership units; and

means for receiving said operating partnership units in exchange for said replacement property, in accordance with the requirements of Section 721 of the Internal Revenue Code.

21. The system of claim 20, wherein the operating partnership owns or controls an interest in the replacement property and wherein said relinquished property is exchanged for said interest in  
25 said replacement property.

22. The system of claim 20, wherein said means for transferring said replacement property to an operating partnership includes means for providing to the operating partnership an option to

purchase said replacement property at a predetermined price and during a predetermined range of time or at a predetermined time.

23. The system of claim 20, wherein said replacement property is leased to said operating partnership.

5 24. The system of claim 23, wherein the operating partnership receives a right to purchase the replacement property.

25. The system of claim 23, wherein lease payments for said replacement property is calculated based on comparable property leasing rates.

10 26. The system of claim 23, wherein said replacement property is leased according to lease conditions and said lease conditions include a lease term of no more than eighty-percent of the useful life of the replacement property such that the value of the replacement property at the end of said lease term is not less than twenty-percent of the original cost of the replacement property.

15 27. A computer system for performing a tax-deferred transaction involving an investor owning a relinquished property, wherein said investor comprises an investor partnership, the system comprising:

means for selling said relinquished property;

means for transferring a first interest in said investor partnership to the operating partnership wherein said operating partnership comprises operating partnership units;

20 means for receiving said operating partnership units in exchange for said first interest in said investor partnership, in accordance with the requirements of Section 721 of the Internal Revenue Code;

means for obtaining a replacement property in exchange for said relinquished property, in accordance with the requirements of Section 1031 of the Internal Revenue Code; and

25 means for transferring a second interest in said investor partnership to the operating partnership in exchange for additional operating partnership units, in accordance with the requirements of Section 721 of the Internal Revenue Code, wherein said second interest comprises a remaining interest in said investor partnership.

28. The system of claim 27, wherein said first interest in said investor partnership is a maximum of 49.9 percent of the total capital interest and ninety percent of the total profits interest of said investor partnership.

29. The system of claim 27, wherein said second interest comprises all remaining interest in said investor partnership.

30. The system of claim 27, wherein said second interest comprises less than all remaining interest in said investor partnership, said system further comprising:

means for transferring one or more additional remaining interests in said investor partnership to the operating partnership in exchange for additional operating partnership units, in accordance with the requirements of Section 721 of the Internal Revenue Code, wherein said one or more additional remaining interests comprise all remaining interest in said investor partnership.

31. The system of claim 27, wherein said means for transferring a second interest in said investor partnership includes means for providing to the operating partnership an option to purchase said second interest at a predetermined price and during a predetermined range of time or at a predetermined time.

32. The system of claim 27, wherein said means for transferring a second interest in said investor partnership includes means for providing to the investor partnership an option to sell said second interest at a predetermined price and during a predetermined range of time or at a predetermined time.

33. The system of claims 20 or 27, further comprising an entity comprising one of a trust or corporation, said entity having shares, and said trust being a general partner in said operating partnership, wherein said operating partnership units are valued based on the value of said shares of said entity.

34. The system of claims 20 or 27, further comprising an entity comprising one of a trust or corporation, said entity being a general partner in said operating partnership, wherein at least some of said exchanged operating partnership units are redeemed for cash.

35. The system of claims 20 or 27, further comprising an entity comprising one of a trust or corporation, said entity being a general partner in said operating partnership, wherein at least some of said exchanged operating partnership units are redeemed for said shares in said entity.

36. The system of claim 35, wherein said entity is a real estate investment trust.

5 37. The system of claims 20 or 27, wherein said operating partnership owns a plurality of assets.

38. The system of claim 37, wherein the entity of claim 36 comprises real estate investment trust units, and wherein said plurality of assets includes one or more assets selected from the group including real property, interest in real property, shares in a real estate investment trust  
10 other than the entity of claim 36, units in a real estate investment trust other than the entity of claim 36, mortgages, and units in an operating partnership other than the operating partnership of claim 37.